

EXHIBIT M



Southeast Claims Service Center
 Metro Airport Business Center II
 2885 Elm Hill Pike
 P.O. Box 140996
 Nashville TN 37214-0996
 888) 549-9876 Fax (888) 492-7524
www.harleysvillegroup.com

September 14, 2004

Layne Drexel
 1910 Old Capitol Tr.
 Newark, DE 19711

RE: Claim #: FS0530739UND
 Insured: Layne Drexel
 Date of Loss: 6/22/04
 Cause of Loss: Fire

Dear Mr. Drexel:

According to our records your policy was cancelled for non-payment of premium. The effective date of cancellation was 6/8/04. Since the fire loss of 6/22/04 occurred after the cancellation date we are unable to afford you coverage under the policy.

If you have any questions, please feel free to contact me at 1-888-549-9876, ext. 1292.

Sincerely,

Sherry Clodfelter
 Senior Claims Specialist
 Southeast Regional Claims

| SENDER: COMPLETE THIS SECTION | | COMPLETE THIS SECTION ON DELIVERY | |
|--|--|--|--|
| <p>1. Article Addressed to:</p> <p>Layne Drexel 1910 Old Capitol Tr. Newark, DE 19711 FS0-530739UND</p> | | <p>A. Signature</p> <p><i>[Signature]</i></p> <p>B. Received by (Printed Name)</p> <p>Layne Drexel</p> <p>C. Is delivery address different from item 1? If YES, enter delivery address below</p> | |
| <p>2. Article Number (Transfer from service label)</p> <p>7002 2410 0000 445</p> | | <p>3. Service Type</p> <p><input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee)</p> | |

7002 2410 0000 4453 6507

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SEP 15 2004

MASSACHUSETTS

Postage & Insurance Paid

Return Receipt (Endorsement Required)

Restricted Delivery (Endorsement Required)

PS Form 3811, June 2002

DR 0208

Message

Page 1 of 2

Clodfelter, Sherry

From: Staton, Amber
Sent: Tuesday, August 17, 2004 8:10 AM
To: Clodfelter, Sherry
Subject: RE: S0-53 07 39 -- Layne Drexel -- MPA 81 29 88

You're welcome.

I read some of the comments in the adjuster notes. The insured wanted to know why it took so long to determine no coverage? I may know why (I use to work in Customer Support in Home Office). The non-pay issued on 6/14/04 asking for \$283.80 due before the canc date of 6/30/04. The claim was coverage verified on 6/23/04 by claims entry which at the time was in non-pay. We did not receive payment of \$283.80 until 7/14/04. The policy confirmed cancellation on 7/6/04 effective for 6/30/04. The payment of \$283.80 was refunded back to the insured.

Only the underwriting has the authority to reinstate (not customer support).

Hope that helps.

-----Original Message-----

From: Clodfelter, Sherry
Sent: Tuesday, August 17, 2004 9:04 AM
To: Staton, Amber
Subject: RE: S0-53 07 39 -- Layne Drexel -- MPA 81 29 88

yes, thanks

----- Original Message-----

From: Staton, Amber
Sent: Tuesday, August 17, 2004 7:21 AM
To: Clodfelter, Sherry
Subject: FW: S0-53 07 39 -- Layne Drexel -- MPA 81 29 88

Sherry,

Do you want me to put the claim into No Coverage?

Amber

-----Original Message-----

From: Riddle, Danny
Sent: Friday, August 13, 2004 2:28 PM
To: Staton, Amber
Subject: RE: S0-53 07 39 -- Layne Drexel -- MPA 81 29 88

You're welcome. Thanks for catching this before we sent out money we may not owe.

-----Original Message-----

From: Staton, Amber
Sent: Friday, August 13, 2004 1:27 PM
To: Riddle, Danny
Subject: RE: S0-53 07 39 -- Layne Drexel -- MPA 81 29 88

DR 0209

Message

Page 1 of 1

Clodfelter, Sherry

From: Southard, Robert
Sent: Friday, August 13, 2004 3:17 PM
To: Clodfelter, Sherry
Subject: Layne Drexel MPA 812988

The captioned policy was cancelled for non-payment and we have no intention of reinstating coverage. No payment has been received since the cancellation notice was mailed to the insured.

6-14-04

6-30-

DR 0211

ADJUSTER ACTIVITY NOTES - ADD

RP9C212 RM9C2

FOR CLAIM SO - 530739 SUFFIX 000 DATE/SEQ
CATEGORY CODE sup USERID DRIDDLE

TIME

REMARKS:

recd call from insd, Lane Drexel. he explained he was told his policy was cancelled and no covg for this claim. he says he recd late notice while he was on vacation, when he returned, he paid premium. he says he did not receive cancellation notice and was not aware of any problem. i told him according to the info we have, policy was cancelled due to non payment. his check was recd late and was sent back to him. i will have sherry get back with underwriting, explain what mr. drexel is saying, and get details. sherry will get back to him to explain when notices were sent to him, etc. his agent needs to speak to underwriter, and i will see that sherry talks to his agent to pass along name and number of underwriter as well.

CONTINUE? Y/N N

PF1=HELP PF3=EXIT PF5=ADD

Mark Hood

302-227-
0507

~~Harold Wells~~
~~50539823~~
~~Jews Const~~

DR 0212